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IN THE

Supreme Court of the United States

AUG 26 1970
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October Term, 1970
No. 597

THE BADA COMPANY,

Petitioner,

vs.

MONTGOMERY WARD & CO., INCORPORATED, FMC CORPORATION, WEAVER MANUFACTURING CO., a division of DURA CORPORATION, and BIG FOUR INDUSTRIES, INCORPORATED,

Respondents.

VOLUME I.

Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

(Appendix in Volume II.)

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Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

The Bada Company prays that a writ of certiorari issue to review the judgment entered in these cases on April 28, 1970, by the United States Court of Appeals for the Ninth Circuit which affirmed in part and reversed in part the judgment of the United States District Court for the Central District of California, entered June 28, 1968.

Orders, Opinions and Judgments Below.

The opinion of the Court of Appeals (A. 3)* is reported at 426 F. 2d 8, 165 USPQ 483. The judgment of the District Court (A. 12) is unreported. Likewise, the findings of fact and conclusions of law of the District Court (A. 15) are unreported. The opinion of the Board of Appeals of the United States Patent Office which was entered on July 19, 1961 (A. 41) is also unreported.

Jurisdiction.

The opinion and judgment of the Court of Appeals was rendered and entered on April 28, 1970 (A. 3). Bada's timely petition for rehearing was denied by an order entered on June 2, 1970 (A. 10). The mandate of the Court of Appeals has been stayed until September 2, 1970 to permit this Petition to be filed (A. 11). The jurisdiction of this Court is invoked under Section 1254(1) of Title 28 of the United States Code.

Questions Presented.

1. Whether it is contrary to public policy and also contrary to the patent and trademark laws for the validity of patents and trademarks to be determined by a judicial consideration of the individual constituent elements of the patent or trademark solely, rather than of the invention or trademark in its totality?

2. *Graham v. John Deere Co.*, (1966) 383 U.S. 1, established guidelines for the determination of obviousness for inventions residing in single elements, which

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*References herein:
A., B., C., and D. refer to the appendix to this petition, which is separately presented;
R. T. refer to the Reporter's Transcript; and Ex. refers to to exhibits.

reduces to essentially a *per se* determination. Where the claimed invention is an overall method or an overall apparatus, in determining whether the invention is obvious, is it contrary to public policy and to the patent laws to opply the *per se* determination of *Graham* by a judicial piecemeal analysis of the constituent elements of the method or apparatus broken down into bits and pieces, and of the prior art also broken down into bits and pieces; all without regard to the overall properties of the invention or the prior art as a whole at the time of the invention and in the context of the art and business in which the invention was made;

Or, in other words, is a finding of "structural obviousness" alone sufficient to support a finding of obviousness under 35 U.S.C. §103?

3. Whether it is contrary to public policy and contrary to the trademark laws to determine that a trademark is merely descriptive of the articles upon which it is employed by a judicial analysis of individual words, without regard to the objective meaning of the trademark in the context of the art and business in which the trademark is employed?

Constitutional Provisions and Statutes Involved.

The cases directly concern the interpretation and application of Section 103 of Title 35 of the United States Code, which provides in pertinent part:

> "§103. *Conditions for patentability; non-obvious subject matter.* A patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been ob-

vious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."

The cases also directly concern the interpretation and application of Section 1052 of Title 15 of the United States Code, which provides in pertinent part:

"§1052. *Trademarks registrable on the principal register.* No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . .

"(e) consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them . . ."

Also involved are the purposes and provisions of Article I. Section 8 of the United States Constitution, which provides:

"Clause 8 [*The Congress shall have Power . . .*] to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

Statement of the Case.

A. Bada's Patents and Trademarks.

Bada was formed in 1955 as a two-man partnership. It developed a system and equipment for balancing wheels for motor vehicles which achieved rapid success.

Over a period of seven years Bada obtained the two patents and five trademark registrations involved in this litigation, all of which were held invalid by the Court of Appeals.

Patent No. 3,002,388 [Ex. 1] claims a complete, overall method of wheel balancing, with claim 1 (C. 49) involving the combination of five interrelated procedural steps. The patented method permits the use of three particular sizes of wheel weights, instead of the eight to twenty sizes required for other systems. The method produces a new result—a wheel balancing procedure that positions the weights at locations which are different from those of other balancing procedures [R. T. 719 and 822-824]—and it achieves both dynamic and static balance with a static balancer.

The Patent Office cited six prior art patents which, when broken down into constituent steps, disclose each of the individual procedural steps of the method. Bada's patent application was rejected on the ground that the individual steps were old and their combination would have been obvious. However, the Patent Office Board of Appeals held that the invention as a whole was not obvious in view of the prior art and ruled that the method was patentable [Ex. X, A. 41, 46-47].

Patent No. 3,055,221 [Ex. 3] claims a complete, overall static balancer. For example, claim 1 (D. 50) requires the combination of seven functionally interrelated elements. This combination provides a balancer having a pivot head and a movable pedestal which engages the pivot head when the balancer is "on". The pivot head is the sensitive component. The combination is unique in that the pivot head is arranged so that it can be removed for repairs or replacement, and in that the components are arranged so that the weight of a wheel interacting through the components of the balancer will maintain the balancer in an "on" position, and

wherein the balancer automatically assumes the "off" position by disengaging the movable pedestal from the pivot head to protect it when the weight of a wheel is removed. The latter function is provided in part by a specially shaped cam and a spring which interact with the pedestal and with the support frame to cause the weight of the wheel to be carried by the pedestal and the pivot through the frame when the balancer is "on" and solely by the frame when the balancer is "off".

The decision of the Ninth Circuit states that it is conceded that the pivot point balancer was known to the prior art, and it directed its analysis solely to whether or not the addition of a cam and spring to a prior art balancer constituted invention. However, it was not conceded that the balancer structure exclusive of the cam and spring, as claimed in Bada's patent, was old. This is set forth in detail at pages 24-29 of the "Brief for Plaintiff-Appellant" before the Ninth Circuit, which appears in Volume One of the record before this Court. Moreover, the patent claims are directed to the overall balancer as a whole, and not merely to the addition of a cam and spring to a balancer (D. 50).

The Patent Office cited seven prior art patents showing several pivot balancers, including Bada's earlier model. The proceedings before the Patent Office were based upon the invention defined by the claims, which is the overall structural combination, the functional relationship of the constituents, and the result, all with respect to the balancer as a whole, as claimed. The Patent Office did not limit the invention to the addition of a cam and spring to the prior art because it based its analysis upon the claims of the patent application.

After rigorous examination and prosecution, the Patent Office allowed the claims of the balancer patent over the prior art [Ex. Y].

The patented method and balancer provide a simple system and apparatus that can be used commercially by unskilled persons after ten minutes of instruction.

The trademark registrations Nos. 615,732; 674,516; 686,839; 686,840; and 689,867 are for use on wheel weights and wheel balancers. The words "Micro" and "Micro-Precision" are either the trademarks or the predominant part of the trademarks as registered.

Bada employed the trademarks on its wheel weights, balancers, instruction sheets, and sales literature. It provided its customers with promotional materials featuring the trademark "Micro-Precision".

B. The Appropriation of Bada's Inventions and Trademarks by Defendants.

Defendants FMC, Big Four and Dura Corporation were engaged in wheel balancing long before the formation of Bada in 1955. In 1959, these defendants started marketing wheel balancers, wheel weights, and instructions as to the method of balancing wheels that were identical with those of Bada in all material respects. FMC and Big Four employed the trademark "Micro-Balance".

The manager of the wheel balancing operation of FMC reported to his parent corporation on June 23, 1959, that:

> "In order to maintain our present position and capture some lost ground, we have had to adopt a program similar to that used by Bada" [Ex. 11 to Ex. 93].

FMC in its sales literature characterized the new system as:

> "A revolutionary method which brings scientific accuracy, speed and simplicity to wheel balancing service" [Ex. 11 to Ex. 93].

Defendant Wards was also engaged in wheel balancing long before the formation of Bada in 1955. From 1957 to 1961 Wards was a customer of Bada. It used Bada's balancers, the new method, and promotional material featuring the trademark "Micro-Precision". Its sales of wheel balancing tripled.

In early 1961 Wards abruptly stopped doing business with Bada. It acquired balancers from defendant FMC and it continued using Bada's balancing method. Wards also continued to use promotional material featuring the trademark "Micro-Precision", including large banners stating "Wheels Balanced the Micro-Precision Way" [Ex. 80] for an extended period of time.

C. The Litigation.

Suits were instituted against defendants FMC, Big Four and Dura, and also against Wards in November 1962 for patent and trademark infringement and unfair competition. Jurisdiction of the Federal District Court was based upon Section 1338 of Title 28 of the United States Code. The actions were combined for the trial and the appeal.

The District Court held the two patents infringed but invalid, and the five trademark registrations valid and infringed.

The Court of Appeals affirmed as to patent invalidity, and reversed as to trademark validity, thereby holding all of the patents and trademarks invalid.

Both of the inventions involve new combinations—one for a complete overall method, and one for a complete overall appartus. Obviousness under 35 U.S.C. §103 was essentially the only issue concerning the inventions.

The courts expressly noted that the inventions filled a long-felt need and enjoyed commercial success (A. 3, 5), but they attributed little or no weight to these factors in ascertaining obviousness.

Likewise, the courts gave little or no weight to:

(a) the evidence that the Bada method and apparatus patents both involve new combinations, the overall functions of which are different from the prior art, and which produce new and improved results;

(b) the evidence that those in the trade were skeptical of the Bada system, but that was overcome by demonstrations of the system over an extended period of time [R. T. 379-380; 715-719];

(c) the evidence that the Bada system has been adopted by most of the major tire retailers to the extent that the Bada system is now virtually the standard of the industry [Ex. I, No. 22];

(d) the evidence that both the inventions produce results that had not been attained before;

(e) the evidence shown by the prior art that there was much confusion in the trade concerning how to go about static wheel balancing;

(f) the evidence that sophisticated competitors that had been in the business long before Bada found it necessary to copy the two inventions in order to remain competitive [Ex. 11 to Ex. 93];

(g) the evidence that the Board of Appeals of the Patent Office held the claims of the method patent to be non-obvious over exactly the same prior art relied upon by the Ninth Circuit [A. 41]; and

(h) the evidence that the Patent Office held the claims of the balancer patent to be patentable over exactly the same prior art relied upon by the Ninth Circuit [Ex. Y].

Neither court analyzed the properties of the inventions as a whole in the context of the art and business involved. Both of the courts made a judicial analysis of the bits and pieces comprising the individual constituents of the inventions, and then reached the legal conclusion that the inventions would have been obvious to one skilled in the art.

Descriptiveness under 15 U.S.C. §1052(e) was essentially the only issue concerning the trademarks. The only evidence presented on this issue by defendants was by way of request that the court take judicial notice of dictionary definitions and of the telephone directory for Los Angeles, California, where several company names employ the word "Micro" [R. T. 136, 1101]. None of the companies was involved in the wheel balancing industry.

The Court of Appeals held both trademarks to be merely descriptive of wheel weights and balancers. It based this conclusion upon a judicial analysis of the dictionary definitions of the two words.

I.

The Need for Review of the Issues Relating to the Determination of Obviousness Raised by Questions One and Two.

A reason urged by Bada for granting the petition is that the Court of Appeals for the Ninth Circuit has rendered a decision concerning obviousness, which is part of a series of similar decisions* in the Ninth Circuit that are in conflict with the decisions of other courts of appeal on an important question of federal law which should be settled by this Court in order to achieve "that uniformity and definiteness which Congress called for in the 1952 Act" *Graham v. John Deere Co.*, (1966) 383 U.S. 1.

The tests to be applied in determining the issue of obviousness under the 1952 Act were enumerated by this Court in the trilogy of *Graham, Calmar* and *Colgate-Palmolive,* (383 U.S. 1). However, the invention in each of those cases resided in essentially one element, *i.e.*, a hinge in a plow, and a rib seal and overcap in a plastic finger sprayer. This Court found it unnecessary to consider the devices as a whole. Thus, the determination as to patentability was reduced to a determination of whether or not the element performed any differently than it did in the prior art. This becomes essentially a *per se* determination of obviousness because it is unnecessary to consider the overall device or process. Hence, it became unnecessary in the trilogy to ascertain the way several structural elements are combined, their functional relationship, or the overall result produced.

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*e.g., *Stevenson v. Diebold, Inc.*, 422 F. 2d 1228, 165 USPQ 10, Petition for Writ of Certiorari No. 487, Oct. Term, 1970.

The application of the tests of the trilogy to claimed inventions involving several steps or elements which cooperate functionally to provide an overall invention has resulted in conflicts in the different courts of appeal. Consequently, guidance by this Court as to the proper application of the tests in determining the issue of obviousness, where the invention resides in the cooperation of several method steps or elements, is needed. The continuing application by the courts of appeal of the tests applied by this Court in the *Graham, Calmar* and *Colgate-Palmolive* cases, where the invention resided in a single element, to cases where the invention resides in plural cooperating steps or elements is not achieving the objectives of the patent laws which is to encourage innovation and invention, thereby promoting the progress of the arts and sciences pursuant to the Constitutional dictates. The determinations based upon judicial piecemeal examations are court oriented, rather than art oriented. They are causing a deterioration of the patent system.

The question, restated, is whether the Court may properly base its judicial determination of obviousness of an invention comprised of several interacting elements upon a finding that the constituent elements are old, *i.e.*, structural obviousness, as was done in the *Graham* case because of the single element invention, rather than upon the evidence of what those skilled in the art were doing at the time the invention was made, and whether the invention *as a whole* was obvious to those skilled in the art?

The need for settling the question is pointed up in the May Developments issue of "Patent Law Perspectives" by Dunner, Gambrell and Kayton, Copyright

1970 by Mathew Bender & Company. Conflicting decisions from different circuit courts of appeal were reviewed prior to the availability of the present case, with the observation at §A.1-22.2 that:

> "The Ninth Circuit continues its piecemeal examination of claimed elements to determine whether they are old or not. If each of the claimed elements is old, it routinely holds the claim invalid without addressing itself to the invention as a whole, as required by Section 103."

The present cases are a continuation of that practice of finding invalidity based on "structural obviousness" alone.

The need for settling the question is of major importance because obviousness is an issue in most patent litigation, and the courts have focused on obviousness with greater intensity since the trilogy of *Graham,* etc. However, in the trilogy this Court did not provide guidelines in the context of an invention which is directed to an overall device or a complete method, such as in the present cases.

Likewise, in *Anderson's-Black Rock v. Pavement Salvage Co.,* (1969) 396 U.S. 57, this Court directed its attention to the bits and pieces of an overall combination because the invention constituted the mere placement of four known devices on one chassis without any functional interrelationship. Although experts testified as to their doubts as to whether the apparatus could achieve the desired result, they were concerned only with whether one of the devices would produce particular results, and not with the combination as a whole.

In *Great A. & P. Tea Co. v. Supermarkets Equipment Corp.*, (1950) 340 U.S. 147 this Court provided guidelines directed to inventions involving combinations of elements. However, the patent claims in that case were directed to a combination only to the extent that they recited an open pusher frame movably mounted on a cashier's counter (see claims 4, 5 and 6 which are reproduced at 340 U.S. 148). This Court based its decision upon an analysis of the counter and pusher frame and found that these two elements did not perform any differently when brought together than they performed in the prior art. Nothing new resulted from such a combination. Again, this reduces to essentially a *per se* determination of obviousness based upon an analysis of the bits and pieces. Also, *A. & P.* was not decided in the context of the 1952 Act where Section 103 concerning obviousness of the invention as a whole first appeared in statutory law.

In view of the *per se* obviousness in the trilogy, in *Anderson* and in *A. & P.*, it was not necessary to consider the various indicia indicating non-obviousness.

However, where the invention resides in the combination of several steps or elements which perform a new overall function and produce a new result, as in the present cases *per se* obviousness based upon an analysis of the constituents individually does not exist. Consequently, the other indicia of obviousness and of non-obviousness should be considered. The Ninth Circuit did not do this.

These indicia include an analysis of the overall properties of the invention as a whole, the level of skill in the art, the significance of the invention as a whole to those skilled in the art, the result produced, whether

a long-felt need was satisfied, and whether there was commercial success. A determination of the properties of an invention as a whole requires an analysis of the overall structure, the overall function, and the overall result in the light of the corresponding properties of the prior art, and not just the properties of individual elements. *Bates v. Coe,* (1878) 98 U.S. 31. All of these factors are significant indicia of obviousness or non-obviousness so far as those to whom the invention is directed are concerned, yet they were summarily rejected as being insignificant by the Ninth Circuit.

The prior art relied on by the United States Patent Office is also important in determining the issue of obviousness. The Ninth Circuit based its decision concerning the method patent upon exactly the same prior art that the Patent Office considered. Yet, the Board of Appeals of the Patent Office, after analyzing both Bada's invention and each piece of prior art as a whole, expressly found that Bada's method was not obvious in view of that art (A. 46-47). Similarly, the Ninth Circuit considered the same prior art with respect to the balancer patent that was considered by the Patent Office (Ex. Y).

Obviously, the Ninth Circuit and the Patent Office used different standards. The Ninth Circuit focused upon constituent elements rather than upon their cooperative relationship and the properties of the inventions of Bada's patents and of the prior art as a whole. Each of Bada's patents claims several elements which cooperate to make up the whole of the invention. However, the Ninth Circuit concerned itself with the individual trees (elements) rather than the forest (the overall invention).

In *United States v. Adams*, (1966) 383 U.S. 39, this Court upheld an invention which involved a combination of elements which was not obvious, although each of the elements was old in the art, just as in the present cases. The piecemeal examination presently employed by the Ninth Circuit would compel a finding of obviousness and consequent invalidity in that case.

Although the Ninth Circuit purported to distinguish *Adams* over the present cases on the basis that Adams produced a wholly unanticipated result, the Court merely considered the results produced by the individual elements of Bada's inventions, and not the result produced by the overall invention as a whole. As to the latter, those engaged in the art were at first skeptical but later characterized the inventions as revolutionary [R. T. 379-380; 715-719; Ex. 11 to E . 93].

It would be a rare patent indeed that could survive the piecemeal examination employed by the Ninth Circuit if the pieces are broken down small enough to be things within the knowledge of the Court. Such a breakdown of inventions is largely a matter of ingenuity of counsel, and it has little to do with the merits of the invention. Bada's seven other patents* involve method steps or mechanical elements which are similar to those in suit, and would be vulnerable to the piecemeal examination presently employed by the Ninth Circuit. Yet these patents were issued by the Patent Office in the ordinary course of business. Such a harsh result inevitably dilutes the incentive aspect of the patent system significantly.

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*2,909,063 - 3,085,422
3,326,051 - 3,474,677
3,474,678 - 3,474,679
3,478,603

Although this Court observed in *Graham* at page 17 that the revision of the patent laws in 1952 and the codification of *Hotchkiss v. Greenwood,* (1851) 11 How. 248, 13 L. Ed. 683, "was not intended by Congress to change the general level of patentable invention" statistics* clearly show that the courts in several of the circuits, including the Ninth, are requiring a higher level of invention to sustain validity since *Graham* in 1966 than was required from 1952 to 1966. It is a well known fact, and statistics bear this out, that the level of invention required by the courts is different in some circuits than in other circuits. Yet it has been recognized on numerous occasions that public policy requires uniformity in the determination of this federal question, *e.g., Sears, Roebuck & Co. v. Stiffel Co.,* (1964) 376 U.S. 225.

The provisions of 35 U.S.C. §103 were enacted by Congress pursuant to Article I, Section 8, Clause 8 of the United States Constitution which enabled Congress to do so in order to promote the progress of science and useful arts. Section 103 requires that the determination be based upon whether or not "the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art".

Public policy as expressed in the Constitution and in Section 103 require a factual evaluation based upon the properties of the subject matter as a whole (and not just the individual elements) in the eyes of those

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*e.g., See "Patent Adjudication by Circuit Courts Subsequent to Graham v. John Deere . . ." published by the Patent Resources Group, Washington, D.C., and reproduced in Appendix B.

having ordinary skill in the art (and not merely in the eyes of a court) which promotes the progress of that art. The present inventions are supported by overwhelming evidence which satisfies these requirements of public policy.

That the properties of the subject matter of the claimed inventions as a whole and what is disclosed by each piece of prior art as a whole should control in the determination of obviousness even where the individual elements are old has been recognized in other circuits and in the Court of Customs and Patent Appeals.

Eagle Iron Works v. McLanahan Corp., (3rd Cir. 1970) .... F. 2d ...., 166 USPQ 225;

Commissioner of Patents v. Deutsche Gold, (D. C. Cir. 1968) 397 F. 2d 656;

Application of Hoeksema, (C.C.P.A. 1968) 399 F. 2d 269;

Application of Wiggins, (C.C.P.A. 1968) 397 F. 2d 356;

Application of Lunsford, (C.C.P.A. 1966) 357 F. 2d 380;

Application of Papesch, (C.C.P.A. 1963) 315 F. 2d 381;

Application of Wright, (C.C.P.A. 1959) 268 F. 2d 757.

All of the courts should apply uniform standards and tests. A writ of certiorari is sought for this purpose.

II.

The Need for Review of the Issues Relating to the Determination of Descriptiveness Raised by Questions One and Three.

Another reason urged by Bada for granting the petition is that the Court of Appeals for the Ninth Circuit has rendered a decision concerning descriptiveness of trademarks in conflict with decisions of this Court and other courts of appeals on an important question of federal law which should be clarified by this Court so that uniform standards will be applied in our federal trademark system.

The need for settling the question is of major importance because descriptiveness is frequently an issue in trademark litigation and also in the administration of the trademark laws by the Patent Office, and because this Court has not interpreted the pertinent provision of the Trademark Act of 1946. The last decision of this Court involving descriptiveness is *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, (1938) 305.U.S. 315.

The question that should be settled by this Court is whether the determination of descriptiveness of a trademark may be based upon a subjective judicial analysis of the individual words of the trademark, or whether the determination of descriptiveness should be based upon an objective analysis of the meaning of the trademark in the context of the art and business in which it is employed.

Under 15 U.S.C. §1052(e), registration of a trademark shall be refused if it is merely descriptive when applied to the goods. Bada's five trademark registrations are for use of the marks "Micro" and "Micro Precision" on wheel weights and wheel balancers. The Patent Office, when it considered Bada's five applications over a period of several years, did not even suggest that the marks are descriptive.

No evidence was presented in this litigation concerning descriptiveness of these words in the wheel balancing business. The only evidence presented by defendants on this issue was the request that the court take judicial notice of dictionary definitions and of the Los Angeles telephone directory. [R. T. 136, 1101] where several company names employ the word "Micro".

The Ninth Circuit based its decision solely upon a judicial analysis of the words. Although the Ninth Circuit recognized that it must consider standards of meaning prevalent among prospective purchasers, the court actually used its own standard of meaning for the words. It could not do otherwise because there is absolutely no evidence of record as to standards of meaning prevalent among prospective purchasers or what those in the trade used to describe their products. The use of "Micro Balance" by defendants FMC and Big Four when they copied everything that Bada did in order to stay in the wheel balancing business was a trademark usage to ride on Bada's goodwill and it was not usage in a descriptive sense.

In making its subjective analysis, the Ninth Circuit took notice of Bada's advertising and briefs which state that its system allows wheels to be balanced with weights

of the smallest of three possible sizes. The Court then noted that according to the dictionary definition of "micro", it means extremely small, or tiny, and concluded that "micro" is descriptive of the size of Bada's wheel weight. However, the three weight sizes have lengths of one, two, and four inches, which does not conform with the dictionary definition or with any other meaning or use of the word "micro". Moreover, the wheel balance could require the largest of the three sizes, rather than the smallest.

"Micro-Precision" was the mark primarily employed by Bada. The Ninth Circuit analyzed the two words separately, noting that precision means accurate and precise, and stated:

> "The addition of the element 'Micro' only strengthens the meaning, and denotes that the system is more than ordinarily accurate and precise. It is true that 'micro' in this sense appears in no dictionary, and were we grammarians we should perhaps flinch at its use . . . And, however barbarous the use, we have no doubt that in the jargon of the trade 'micro' functions as little more than an inexact intensifier for 'precision.'" (A. 3, 8).

The record is devoid of anything tending to show what the jargon of the trade was or is. The decision of the Court is based upon a dissection of the two words of the mark, and the Court's subjective conclusion based upon such an analysis.

Such dissection of a trademark is in direct conflict with *Blue Bell Co. v. Frontier Refining Co.*, (10th Cir. 1954) 213 F. 2d 354, where the court stated:

> "The question whether a trademark is distinctively valid depends upon a consideration of its elements as a whole, not its dissected parts."

The words "Micro" and "Micro-Precision" do not tell a purchaser what the goods *are* or what they *do*. These are the critical factors according to *Pacific Industries, Inc. v. Minnesota Mining & Mfg. Co.*, (C.C.P.A. 1970) 425 F. 2d 1265, 165 USPQ 631, and the decision of the Ninth Circuit is in direct conflict with that decision.

Likewise, the decision of the Ninth Circuit is in direct conflict with *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, (1916) 240 U.S. 251, when this Court considered whether "The American Girl" was descriptive of shoes. The Court noted that a determination as to descriptiveness must be made in the context of the business in which the mark is employed, and observed that the mark would be as descriptive of almost any article of manufacture as it would be of shoes and hence the mark was not descriptive of the particular product. The words "Micro" and "Micro-Precision" are as descriptive of almost any article of manufacture as they are of wheel weights and wheel balancers, and hence these words are not descriptive of Bada's products in accordance with *Hamilton-Brown*.

Public policy as expressed in 15 U.S.C. §1052(e) requires a determination of whether or not a mark is *merely* descriptive of the goods as sold and used in commerce. This requires an objective analysis based

upon trade usage, and a subjective analysis based upon dictionary definitions does not comply. Otherwise the word "merely" in the statute would be meaningless.

If it is necessary to go through a mental exercise in order to say that mark is descriptive as was done by the Ninth Circuit, a subjective standard results, which will vary from court to court.

Public policy and 15 U.S.C. §1052(e) require that an objective standard, based upon standards of meaning actually used in the trade or business, be employed in order to achieve uniformity.

Conclusion.

Bada obtained two patents and five trademarks to protect its developments in a new enterprise over a period of several years. The patent claims are directed to a complete, overall method and to a complete, overall apparatus, each employing several steps or elements.

All of the patents and trademarks have been held invalid by determinations based upon dissection of the components and subjective judicial analysis of the bits and pieces, rather than the subject matter as a whole. The Ninth Circuit focused its attention upon the trees, rather than the forest. It has held that structural obviousness alone is sufficient to warrant a finding of invalidity.

Where several elements are employed in an invention, a piecemeal analysis of the individual bits and pieces of the invention and of the prior art, as em-

ployed by the Ninth Circuit in applying its improper subjective standard, renders virtually all such inventions unpatentable as being obvious. The determination should be based upon an objective standard concerned with the reaction of those to whom the invention is directed as to the properties of the invention as a whole. This requires an analysis of the overall combination, the overall function and the overall result.

This Court has indicated that determinations of patent validity should focus with greater intensity upon the requirement of non-obviousness. This is essentially a state of mind. Further guidance is required by this Court as to whether the state of mind of a court should control, or whether the state of mind of those in the art and trade, as determined objectively, should control.

Although this Court has provided guidelines for the determination of obviousness, it did so in the context of inventions directed to essentially single elements which reduced to *per se* obviousness. Further guidance is required for inventions directed to overall methods or overall apparatus, where structure, overall function and overall result are the basic indicia, both as to the significance of the prior art and of invention in the context of that art.

Likewise, further guidance is required by this Court as to whether descriptiveness of a trademark should be determined by a subjective judicial analysis of the words

of the mark, as done by the Ninth Circuit, or by an objective analysis of what the trademark means to those engaged in the art and business.

Public policy and the patent and trademark laws require that all such determinations be based upon uniform objective standards, rather than upon subjective standards that inevitably vary from court to court.

Guidance by this Court on these matters is of substantial importance because they affect fundamental rights concerning intellectual property which arise every day.

Respectfully submitted,

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FILED
AUG 26 1970
E. ROBERT SEAVER, CLERK

IN THE

Supreme Court of the United States

October Term, 1970
No. 597

THE BADA COMPANY,

Petitioner,

vs.

MONTGOMERY WARD & CO., INCORPORATED, FMC CORPORATION, WEAVER MANUFACTURING CO., a division of DURA CORPORATION, and BIG FOUR INDUSTRIES, INCORPORATED,

Respondents.

VOLUME II.

Appendix to Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

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APPENDIX A.

Opinion of the United States Court of Appeals for the Ninth Circuit.

United States Court of Appeals for the Ninth Circuit.

The Bada Company, a California corporation, *Plaintiff-Appellant, Cross-Appellee,* vs. Montgomery Ward & Co., Incorporated, an Illinois corporation, *Defendant-Appellee, Cross-Appellant.* No. 23,436.

The Bada Company, a California corporation, *Plaintiff-Appellant, Cross-Appellee,* vs. FMC Corporation, a Delaware corporation; Weaver Manufacturing Co., a Division of Dura Corporation, a Michigan corporation; Big Four Industries, Incorporated, an Ohio corporation, *Defendants-Appellees, Cross-Appellants.* No. 23,433.

[April 28, 1970]

Appeal from the United States District Court for the Central District of California.

Before: DUNIWAY, HUFSTEDLER and WRIGHT, Circuit Judges.

WRIGHT, Circuit Judge:

Appellant is the owner of two patents relating to a system of balancing automobile wheels, and of the registered trademarks "Micro" and "Micro-Precision," applicable to wheel weights and balancers used in the patented system. This action is for infringement of both patents and trademarks, and for unfair competition. The District Court found that the patents were invalid for obviousness, 35 U.S.C. § 103, but that if valid they had been infringed. It held the trademarks valid and infringed, and awarded damages. De-

fendants' counterclaim, alleging patent and trademark misuse, was dismissed, and it has been abandoned in oral argument here.

I.

The record shows that plaintiff's predecessor in title was the inventor of a method for balancing automobile tires covered by patent No. 3,002,388. The patented system involves four steps. First, the wheel is placed horizontally on a balancer equipped with a spirit level and allowed to tilt freely from side to side. The bubble in the spirit level indicates the location of the "light spot" on the wheel—the point of greatest imbalance and the one which tips up the highest when the wheel tilts. Second, four equal weights are placed on the rim of the wheel, two on each side of the light spot and immediately adjacent to it. The weights are of a size such that when all four are placed at the light spot, they are sufficient to correct the tilt of the wheel and just slightly to "overbalance" it. Third, the pairs of weights are moved away from the light spot equal distances along the rim, until the induced overbalance is precisely corrected and the angle of tilt, as shown by the spirit level, is zero. Fourth, one of the weights in each pair is fastened into position; the other is removed, and fastened into the corresponding position on the other (nether) side of the wheel.

The system is simple and easy to apply, and there is no dispute that its application solved what had been a problem in the industry—the development of a speedy method for wheel balancing that could be taught to relatively unskilled workers. Commercial success followed.

The District Court however found, and we agree, that each of the elements in the patented process was

covered by the prior art. Thus the Booth patent, British No. 731,459, discloses a static balancer on which the wheel is placed horizontally and which utilizes a spirit level to indicate imbalance. The Booth patent, the Hume patent, No. 2,052,295, and the Morse patent, No. 2,136,633, all involve placing weights at the light spot and "fanning" them out until the wheel is precisely balanced. The Holl patent. No. 2,592,804, and the Lowe patent, No. 2,700,892, disclose the division of weights and the attachment of one in each pair to the opposite rim.

The patent in suit, then, is merely a combination of known prior art elements. We are enjoined to scrutinize such patents "with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements." *Great A. & P. Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147, 152 (1950). To be sure, the combination here filled a long-felt need and enjoyed commercial success. But that is not enough to show patentability. *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57 (1969); *Carborundum Co. v. Wilbanks*, ... F.2d ..... (9th Cir., Dec. 23, 1969). Nor is this a case where a joinder of known elements produced a wholly unanticipated result, *cf. United States v. Adams*, 383 U.S. 39 (1966). On the contrary, the spirit level indicated the light spot, as it had before; moving the weights brought the wheel into static balance, as it had before; and transferring one weight to the other rim achieved dynamic balance, as it had before. "Two and two have been added together, and still they make only four." *Great A. & P. Tea Co., supra*, 340 U.S. at 152.

Essentially the same is true of the device covered by appellant's patent No. 3,055,221 an improvement to the

prior art pivot point wheel balancer. Pivot point wheel balancers are not different, in their essentials, from a teeter-totter of the old-fashioned type. The wheel to be balanced is placed on a support member, attached in its turn to a metal ball. When the balancer is in the "on" position, the ball pivots on a flat metal platform, tipping to one side or the other if the wheel is imbalanced. When the balancer is in the "off" position, ball and platform are disengaged.

This mechanism occasioned trouble if the operator carelessly loaded a wheel onto the balancer while the latter was in the "on" position. The sudden impact had a tendency to flatten the ball against the platform, impeding the free rotation of the ball and destroying the accuracy of the balance. The patented device consists of a spring and cam arrangement that automatically disengages ball and platform whenever a wheel is removed from the balancer. The effect is to prevent damage to the ball by making it impossible to leave the balancer accidentally in the "on" position.

It is conceded that the pivot point balancer was known to the prior art. We have examined the spring and cam arrangement added to the prior art balancer and we cannot escape the conclusion that it would have been obvious to one skilled in the art. The use of springs and cams to return mechanical devices to their initial positions is old. And we cannot say that more than ordinary skill and ingenuity are shown by the mere fact that the patented device employed the weight of the wheel being balanced to prevent an untimely return to the "off" position, rather than the pressure of the operator's foot (as did the prior art Holl patent No. 2,592,804). When hoary devices like springs and cams are in-

volved, it will be a rare case indeed when mere artful placement of them will be non-obvious. The improvement, we think, "is the work of the skilful mechanic, not that of the inventor." *Hotchkiss v. Greenwood,* 52 U.S. (11 How.) 248, 267 (1851).

We affirm the District Court's conclusion that the patents were invalid.

II.

As to the trademarks, the question is whether the court below erred in finding that they were not merely descriptive of the articles involved.

The law is that a word which is in its primary meaning merely descriptive of the goods to which it is applied may not be appropriated as the exclusive trademark of a single seller, since one competitor will not be permitted to impoverish the language of commerce by preventing his fellows from fairly describing their own goods, Lanham Act § 2(e), 15 U.S.C. § 1052(e); *Delaware & H. Canal Co. v. Clark,* 80 U.S. (13 Wall.) (1871); *Rohr Aircraft Corp. v. Rubber Teck, Inc.,* 266 F.2d 613, 623 (9th Cir. 1959); *Telechron, Inc. v. Telicon Corp.,* 198 F.2d 903 (3d Cir. 1952).

If, however, a mark which is merely descriptive in its primary meaning acquires over time a secondary and distinctive meaning which serves to identify the goods of a single merchant, then the law will afford protection against unfair appropriation of the benefits resulting from the mark's secondary meaning. Lanham Act § 2-(f), 15 U.S.C. § 1052(f); *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.,* 305 U.S. 315 (1938); *Safeway Stores v. Safeway Properties,* 307 F.2d 495 (2d Cir. 1962); *Wilhartz v. Turco Products,* 164 F. 2d 731 (7th Cir. 1947).